



DEPARTMENT OF
ECONOMIC DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

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**Real Estate Brokerage RFP
(Addendum # 2)**

DATE: June 18, 2010

To all Potential Respondents:

Attached hereto are addenda items, which shall be incorporated into your submittal of proposal for the above noted project. These changes shall be considered as part of the original documents, as if they were originally provided therein, and as such shall be used as contractual documents. All other terms, conditions, and specifications of the request remain unchanged. Respondents must acknowledge receipt of this addendum within the cover letter of your RFP submittal.

Failure to acknowledge receipt of this addendum in your cover letter prior to the hour and date specified for receipt of qualifications **may result in rejection of your RFP submittal.** If by virtue of this addendum you decide to change the RFP submittal already submitted, such change may be made by letter, provided such letter makes reference to the project name and this addendum, and is received prior to the opening hour and date specified.

For any questions related to this Addendum, contact the Melissa Anguiano at 916-808-5864

Very truly yours,

Melissa Anguiano
Sr. Project Manager

cc: Distribution List

ADDENDUM # 2 DATE: June 18, 2010

Real Estate Brokerage RFP (Addendum # 2)

Item #1 - Questions and Answers - June 15, 2010

Item #1

Q1. Can you provide a list of the properties in Excel format so that we are able to sort and group the data?

A1. Once a firm is selected the City will, to the best of its ability, provide a list in a format that can be managed.

Q2. Pursuant to the Professional Services Agreement Exhibit A, Paragraph 3, does the City of Sacramento consider it's contractors who serve as brokers to be "consultants"?

A2. The brokerage firm will not act in a staff capacity as a consultant with independent decision-making authority, so they do not have to file the FPCC conflict of interest form as a "consultant." However, if the City authorizes the broker to list City property for sale through a marketing process other than a formal bid submittal, we would expect the broker to disclose any clients which may present a conflict of interest (i.e., potential buyers) in representing the City, so we can decide whether to waive that conflict. Also, the City would have to approve allowing the broker to represent both the City and the buyer in a transaction.

Compensation

Q3. Will the Vendor be responsible for payments to third party vendors such as architects and space planners if such resources are required to deliver services?

A3. Phase I of this project is to assist the City in preparing an inventory of our surplus property and a strategic plan for disposition. Third party services (environmental assessment consultants, etc.) might be needed in the future to better position the surplus property for sale. However, the City does not anticipate the need for such services in the initial phase of this contract and it is anticipated that the City would contract directly for such services. The costs and rates for any services anticipated to be needed prior to listing the property for sale and intended not to be paid by the Vendor from the brokerage fee compensation at the time of sale of the surplus property should be outlined in all proposals.

Surplus Assets

Q4 Has the city developed a list of surplus properties to date?

A4. The list posted on the website (www.cityofsacramento.org/econdev - under the News section) contains all city-owned properties, most of which are utilized for city operations and/or services. The list does not specify which property may be considered surplus and the list is not considered current and has not been audited for accuracy. The selected Vendor is expected to assist the city in updating this list of City owned properties so that it is current and accurate, and as part of that effort to determine which parcels should be designated as surplus property.

Q5. Are any major dispositions of city owned assets currently in process or will all activities be put through the selected provider's strategic planning process?

A5. The City is in process of possibly selling a parcel to Chrysler, next to the Mel Rapton dealership. Several other proposals are also in process, all of which will be disclosed to the selected Vendor and may be excluded from the strategic plan.

Q6. Are surplus sites considered free and clear? That is, are there any legal encumbrances or restrictions on the sale or reuse of buildings/sites? If encumbrances exist, will the Vendor be required to investigate and identify? What will be required of the Vendor to prepare surplus assets for sale?

A6. The sites may be considered free and clear, but often are subject to bonds. In addition, some parcels may be subject to easements and in-ground unrecorded city facilities. Potential surplus property will be evaluated on a case-by-case basis. Staff will work with the selected Vendor to develop a strategy and discuss packaging, marketing and any analytical services required to prepare the assets for sale.

Q7. Are any of the sites or buildings environmentally contaminated? If so, will the Vendor be required to investigate to determine nature and scale of contamination? What are the City's policies and restrictions regarding selling these sites?

A7. Very few City-owned sites are known to be contaminated. Those that are, have been tested and fully categorized. The City can sell known contaminated sites with standard indemnities. Typically, a Phase 1 environmental site assessment report is performed by the purchaser with every asset sale.

Q8. Do the City's surplus sites have underlying zoning in place? Will the successful Vendor have to work with local municipalities to appropriately zone and entitle sites prior to disposition, ground lease, etc.?

A8. Yes, there is underlying zoning; however, we are not asking the selected firm to perform any zone changes nor is the City committed to changing the current zoning. However, that may be one of the recommendations for a particular parcel in the strategic plan.

Q9. Have local municipalities or other public institutions made inquiries regarding the availability of surplus properties? Does the City have specific policies with regard to inquiries from such entities?

A9. Yes, other public institutions have inquired. This information will be disclosed to the selected Vendor. Yes, in some circumstances the City is subject to the surplus property statutes. Government Code Sections 54220 et. seq. state that "local agency" includes charter cities. Certain types of property are exempt from the requirement to first offer land for sale to specific agencies for certain uses.

Strategic Plan

Q10. What agencies, if any, will not be part of this study (e.g., Dept. of Transportation, etc.)?

A10. The manner in which the City acquired the property (e.g. Quimby, dedication) will determine the stakeholders involved. City departments likely to be involved at some point during preparation of the strategic plan will include the City Attorney's Office, Transportation, Parks & Recreation, Utilities, and Convention, Culture & Leisure – just to name a few. The selected Vendor is expected to work with the City and all appropriate City departments and other stakeholders to develop an appropriate strategy. The Economic Development Department will facilitate all necessary coordination between the selected firm and the required stakeholders.

The acquisition manner (i.e., dedications, grant funded or an enterprise fund asset) may also impact our options to dispose of or lease the property. We anticipate all City Departments that are responsible for their respective surplus real property will address such issues.

Q11. Will stakeholders from agencies other than Economic Development Department participate in the process? If so, will their consensus on strategic direction be required?

A11. Please see answer to the previous question.

Q12. Does a strategic real estate portfolio plan exist? If so, when was it published? Is it periodically updated?

A12. No.

Q13. Is there any information that identifies current seat count or square footage per building?

A13. All available information is listed on the City's asset inventory list. This list can be found on the website (www.cityofsacramento.org/econdev - under the News section).

Q14. Does a comprehensive project plan exist that identifies any and all required renovations and/ or alterations to existing buildings?

A14. No.

Q15. Does the City have a comprehensive set of workplace standards for offices and workstations layouts and assignments? If so, to what degree do agencies implement and maintain these standards?

A15. This is not relevant to the assignment.

Q16. Is there a report that identifies current headcount per agency? Per building? Is there a headcount forecast available for the agencies? If so, for how many years in the future is the forecast?

A16. This is not relevant to the assignment.

Q17. Who, if anyone, tracks vacancy within the portfolio (i.e., unused workstations and offices in leased and owned space)?

A17. The Asset Management Section of the Facilities and Real Property Management Division of the Department of General Services.

Q18. Is cost information readily available for each individual building, including operating costs and current capital improvement costs? Indirect management costs? Historic capital improvement costs? Original value and book value?

A18. No to all questions.

Portfolio Management Tools

Q19. Does the City currently have any database applications that track inventory of space?

A19. An application is currently in process.

Q20. Is there a database system to track leasing critical dates, rent and expenses?

A20. No.

Q21. What software product does the City use to track and process financials, fixed assets, etc?

A21. Oracle based ECAPS.

ADDENDUM # 2